

JACKSON PARISH COMMUNICATION DISTRICT

JACKSON PARISH, LOUISIANA

GENERAL PURPOSE FINANCIAL STATEMENTS
AND ACCOUNTANT'S COMPILATION REPORT
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2002

KENNETH D. FOLDEN & CO.

CERTIFIED PUBLIC ACCOUNTANTS

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JACKSON PARISH COMMUNICATION DISTRICT
Jackson Parish, Louisiana

General Purpose Financial Statements
and Accountant's Compilation Report
As of and for the Year Ended December 31, 2002

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ACCOUNTANT'S COMPILATION REPORT

Mr. David Sanders, Chairman
and Members of the Board of Commissioners
Jackson Parish Communication District
P. O. Box 610
Jonesboro, LA 71251

We have compiled the accompanying general purpose financial statements of the Jackson Parish Communication District in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of general purpose financial statements information that is the representation of management. We have not audited or reviewed the accompanying general purpose financial statements and, accordingly, do not express an opinion or any other form of assurances on them.



KENNETH D. FOLDEN & CO.
Certified Public Accountants

Jonesboro, Louisiana
June 10, 2003

JACKSON PARISH COMMUNICATION DISTRICT
Jackson Parish, Louisiana

ALL FUND TYPES AND ACCOUNT GROUPS
COMBINED BALANCE SHEET, DECEMBER 31, 2002

| | GOVERNMENTAL FUND TYPE- GENERAL FUND | GENERAL FIXED ASSETS ACCOUNT GROUP | TOTAL (MEMORANDUM ONLY) |
|--|--|--|-------------------------------|
| ASSETS AND OTHER DEBITS | | | |
| Assets and other debits | | | |
| Cash and cash equivalents | \$ 167,788 | \$ | \$ 167,788 |
| Accounts receivable | 9,531 | | 9,531 |
| Land, buildings and equipment | | 43,513 | 43,513 |
| TOTAL ASSETS AND OTHER DEBITS | <u>\$ 177,319</u> | <u>\$ 43,513</u> | <u>\$ 220,832</u> |
| LIABILITIES, EQUITY, AND OTHER CREDITS | | | |
| Liabilities | | | |
| Payroll taxes and withholdings payable | \$ 380 | \$ | \$ 380 |
| Accounts payable | 242 | | 242 |
| Total liabilities | <u>622</u> | <u>NONE</u> | <u>622</u> |
| Equity and other credits | | | |
| Investment in general fixed assets | | 43,513 | 43,513 |
| Fund balance - | | | |
| Unreserved - undesignated | <u>176,697</u> | | <u>176,697</u> |
| Total equity and other credits | <u>176,697</u> | <u>43,513</u> | <u>220,210</u> |
| TOTAL LIABILITIES, EQUITY AND OTHER CREDITS | <u>\$ 177,319</u> | <u>\$ 43,513</u> | <u>\$ 220,832</u> |

See accompanying notes and Accountant's Compilation Report

JACKSON PARISH COMMUNICATION DISTRICT
Jackson Parish, Louisiana
GOVERNMENTAL FUND TYPE - GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2002

| | BUDGET | ACTUAL | VARIANCE FAVORABLE (UNFAVORABLE) |
|--|------------|------------|--|
| Revenues: | | | |
| Telephone surcharges - landline | \$ 70,100 | \$ 76,057 | \$ 5,957 |
| Telephone surcharges - wireless | 38,410 | 42,228 | 3,818 |
| Interest | 5,318 | 5,887 | 569 |
| Sign sales and other misc. revenues | 5,771 | 4,156 | (1,615) |
| Total revenues | 119,599 | 128,328 | 8,729 |
| Expenditures: | | | |
| Address signs | 626 | 867 | (241) |
| Advertising | 179 | 148 | 31 |
| Equipment rental | 32,000 | 43,691 | (11,691) |
| Insurance & bonding | | 554 | (554) |
| Legal and accounting | | 1,870 | (1,870) |
| Office supplies | 300 | 624 | (324) |
| Repairs and maintenance | 165 | 1,923 | (1,758) |
| Salaries and related payroll taxes | 6,459 | 6,459 | |
| Travel | 12,000 | 12,000 | |
| Telephone | 3,397 | 3,200 | 197 |
| Mapping | 1,400 | 47,425 | (46,025) |
| Miscellaneous | 3,100 | 1,671 | 1,429 |
| Capital outlay | 69,000 | 14,355 | 54,645 |
| Total expenditures | 128,626 | 134,787 | (6,161) |
| EXCESS (deficiency) OF REVENUES OVER (under) EXPENDITURES | (9,027) | (6,459) | 2,568 |
| FUND BALANCE AT BEGINNING OF YEAR | 183,156 | 183,156 | NONE |
| FUND BALANCE AT END OF YEAR | \$ 174,129 | \$ 176,697 | \$ 2,568 |

See accompanying notes and Accountant's Compilation Report

JACKSON PARISH COMMUNICATION DISTRICT
Jackson Parish, Louisiana
Notes to the Financial Statements
As of and for the Year Ended December 31, 2002

INTRODUCTION

The Jackson Parish Communication District (District) was established in April 1990 by the Jackson Parish Police Jury, as provided by Louisiana Revised Statutes 33:9101 to 33:9106. The District was created for the establishment and operation of a parishwide enhanced Emergency 911 System. The District is governed by a Board of Commissioners, which has seven appointed members. Commissioners are residents of the District and consist of the Jackson Parish Sheriff, Jackson Parish Hospital Administrator, Jonesboro Police Chief, Jonesboro Fire Chief, and three at-large appointments. All appointments serve terms of four years. The members of the Board of Commissioners do not receive compensation.

On October 6, 1990, the voters of Jackson Parish passed a proposition for the collection of a telephone surcharge to provide funding for the operation of the District.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying general purpose financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. REPORTING ENTITY

Governmental Accounting Standards Board Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the police jury to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on the above, the Jackson Parish Communication District is deemed to be a separate governmental reporting entity. The Jackson Parish Communication District has no component units.

Considered in the determination of component units of the reporting entity were the Jackson Parish Police Jury, Sheriff, Clerk of Court, Assessor, and School Board and the District Attorney and Judges for the Second Judicial District. It was determined that these governmental entities are not component units of the Jackson Parish Communication District reporting entity because they have separately elected governing bodies, are legally separate, and are fiscally independent of the Jackson Parish Communication District.

JACKSON PARISH COMMUNICATION DISTRICT
Jackson Parish, Louisiana
Notes to the Financial Statements (Continued)

C. FUND ACCOUNTING

The District uses a fund and an account group to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable financial resources.

The one fund of the District is classified as the following category: governmental. This category contains one fund type. A description of this fund classification and the fund type follows:

Governmental Funds

Governmental funds account for all of the District's general activities, including the collection and disbursement of specific or legally restricted monies, and acquisition or construction of general fixed assets, and the servicing of general long-term obligations. Governmental funds include:

General Fund--the general operating fund of the District and accounts for all financial resources, except those required to be accounted for in other funds. The District does not receive any funds requiring accountancy in other funds.

D. BASIS OF ACCOUNTING

The accounting and financial treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by all governmental funds. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. A one-year availability period is used for revenue recognition for all governmental fund revenues.

Monthly telephone surcharges are collected by the various telephone companies operating within the parish. These companies then remit the surcharges less a one-percent administrative fee to the District the following month. Amounts collected by the telephone companies for December and remitted within 60 days are recognized as receivable.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for principal and interest on general long-term debt which are recognized when due. The District has no long-term debt at December 31, 2002.

E. BUDGETS

Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgets are adopted and are made available for public inspection. The Board of Commissioners must meet and approve all budget changes or amendments. At year end, all appropriations lapse. Budget amounts are as amended.

JACKSON PARISH COMMUNICATION DISTRICT

Jackson Parish, Louisiana

Notes to the Financial Statements (Continued)

F. ENCUMBRANCES

Encumbrances represent commitments related to unperformed contracts for goods and services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded to reserve that portion of the applicable appropriation, is not employed by the District.

G. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. Cash and cash equivalents of the District include an interest-bearing demand deposit account.

Under state law, the District may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at cost. The District has no investments at December 31, 2002.

H. FIXED ASSETS

Fixed assets of governmental funds are recorded as expenditures at the time they are purchased or constructed, and the related assets are capitalized (reported) in the general fixed assets account group. No depreciation is provided on general fixed assets. All fixed assets are valued at historical cost.

I. COMPENSATED ABSENCES

There are no accumulated and vested benefits relating to vacation and sick leave as the District has no full-time employees.

J. LONG-TERM OBLIGATIONS

Long-term obligations expected to be financed from governmental funds are reported in the general long-term obligations account group. Expenditures for principal and interest payments for long-term obligations are recognized in the governmental funds when due. The District has no long-term obligations.

A. FUND EQUITY

Reserves represent those portions of fund equity not appropriable for expenditures or legally segregated for a specific future use.

Designated fund balances represent tentative plans for future use of financial resources.

At December 31, 2002, the District's fund balance was unreserved and undesignated.

L. TOTAL COLUMNS OF COMBINED STATEMENTS

Total columns on the combined statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns does not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

JACKSON PARISH COMMUNICATION DISTRICT

Jackson Parish, Louisiana

Notes to the Financial Statements (Concluded)

2. CASH AND CASH EQUIVALENTS

At December 31, 2002, the District has cash and cash equivalents (book balances) totaling \$167,788, as follows:

| | |
|----------------------------------|-------------------|
| Interest-bearing demand deposits | <u>\$ 167,788</u> |
|----------------------------------|-------------------|

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At December 31, 2002, the District has \$183,419 in deposits (collected bank balances). These deposits are secured from risk by \$100,000 of federal deposit insurance and \$114,790 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Jackson Parish Communication District that the fiscal agent has failed to pay deposited funds upon demand.

3. FIXED ASSETS

The changes in general fixed assets follow:

| | Balance January 1, 2002 | Additions | Deletions | Balance December 31, 2002 |
|-------------------------|----------------------------|------------------|----------------|------------------------------|
| Furniture and equipment | \$ 29,159 | \$ 14,355 | \$ NONE | \$ 43,513 |
| Total | <u>\$ 29,159</u> | <u>\$ 14,355</u> | <u>\$ NONE</u> | <u>\$ 43,513</u> |

4. PENSION PLANS

The District contributes to the Social Security System for its part-time employee. The District does not participate in any other pension or retirement plans.

5. WIRELESS SURCHARGES

Act 1029 of 2001 authorizes the governing authority of a communication district to levy an emergency telephone surcharge on certain wireless communication systems to pay the costs of implementing FCC ordered enhancements to E911 systems. On July 26, 2000, the Jackson Parish Communication District adopted a resolution requiring each wireless telephone company in Jackson Parish to begin collecting a surcharge on each wireless telephone in Jackson Parish. Implementation of the service is complete for the wireless companies who have responded.

6. LITIGATION AND CLAIMS

Management has informed us that the district is not involved in any litigation at December 31, 2002.

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Mr. David Sanders, Chairman
and Members of the Board of Commissioners
Jackson Parish Communication District
P. O. Box 610
Jonesboro, LA 71251

We have performed the procedures included in the Louisiana Government Audit Guide and enumerated below, which were agreed to by the management of the Jackson Parish Communication District and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Jackson Parish Communication District's compliance with certain laws and regulations during the year ended December 31, 2002 included in the accompanying Louisiana Attestation Questionnaire. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$15,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

No expenditure was made during the year for materials and supplies exceeding \$15,000 nor was any expenditure made for public works exceeding \$100,000.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

Management provided us with the required list including the noted information.

3. Obtain from management a listing of all employees paid during the period under examination.

Management provided us with the required name of their sole employee.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

The name of the sole employee (Director) provided by management in procedure (3) did not appear on the listing provided by management in procedure (2).

Budgeting

5. Obtained a copy of the legally adopted budget and all amendments.

Management provided us with copies of the original budget and all amendments for the year ended December 31, 2002. The budget was amended once during the year.

6. Trace the budgets adoption and amendments to the minute book.

We traced the adoption of the original budget, for the year ended December 31, 2002, to the minutes of a meeting held on November 26, 2001, which indicated that the budget had been approved by all of the commissioners. We traced the amendments to the minutes of a meeting held on November 25, 2002, which indicated that the amended budget had been approved by all of the commissioners.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5% or more or if actual expenditures exceed budgeted amounts by 5% or more.

We compared the revenues and expenditures of the final budgets to actual revenues and expenditures. Actual revenues exceeded budgeted revenues and actual expenditures exceeded budgeted expenditures by less than five percent.

Accounting and Reporting

8. Randomly select six disbursements made during the period under examination and:
 - (a) trace payments to supporting documentation as to proper amount and payee;

We examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

- (b) determine if payments were properly coded to the correct fund and general ledger account; and

The six selected disbursements were properly coded to the correct fund and general ledger account.

- (c) determine whether payments received approval from proper authorities.

The six selected disbursements were traced to the District's minute book where they were approved by the commissioners.

Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law).

The Jackson Parish Communication District posts a notice of each meeting and the accompanying agenda on the door of the building where meetings are held. Additionally, the meeting dates are advertised in the local newspaper. Management has informed us that these documents were properly posted and the meetings were advertised.

Debt

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

We inspected copies of all bank deposit slips for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

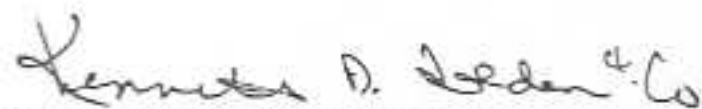
Advances and Bonuses

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advances, or gifts.

A reading of the minutes of the District for the year indicated no approval for the payments noted. We also inspected payroll records for the year and noted no instances which would indicate payments to the employee which would constitute bonuses, advances, or gifts.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the Jackson Parish Communication District and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



KENNETH D. FOLDEN & CO.
Certified Public Accountants

Jonesboro, Louisiana
June 10, 2003

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)

June 10, 2003 (Date Transmitted)

Kenneth D. Folden & Co., CPAs

302 8th Street

Jonesboro, LA 71251

(Auditors)

In connection with your compilation of our financial statements as of December 31, 2002 and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulation and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of June 10, 2003.

Public Bid Law

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office

Yes [☒] No []

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124.

Yes [☒] No []

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1119.

Yes [☒] No []

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:34.

Yes [☒] No []

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:36.

Yes [☒] No []

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463, and/or 39:92, as applicable.

Yes [☒] No []

We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.
Yes [☒] No []

Meetings

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.

Yes [☒] No []

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 39:1410.60-1410.65.

Yes [☒] No []

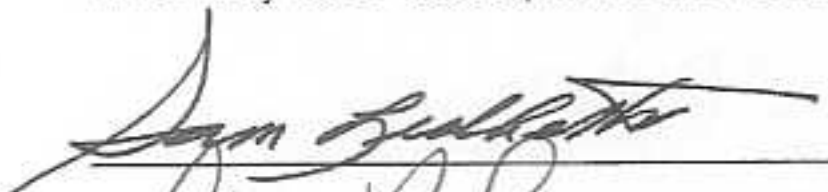
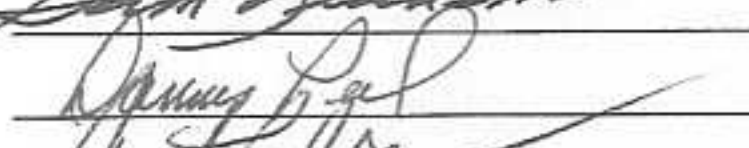
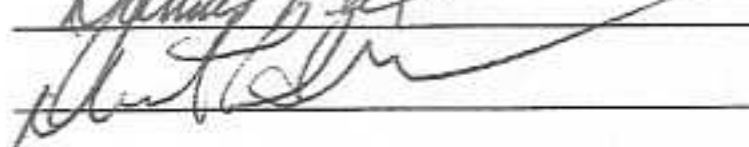
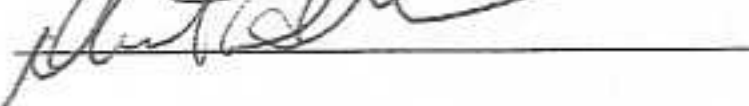
Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729.

Yes [☒] No []

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.

| | | | |
|---|-----------|------------|------|
|  | Director | | |
|  | Secretary | 6-10-03 | Date |
|  | Treasurer | 6-10-03 | Date |
|  | President | 06/10/2003 | Date |